## Remarks

Further and favorable reconsideration is respectfully requested in view of the foregoing amendment and following remarks.

Initially, although the Office Action Summary page indicates claims 1 and 13 are pending in the application, the pending claims also include claims 4-11, which have been withdrawn from further consideration.

Claim 1 has been amended in response to the rejection of claims 1 and 13 under 35 U.S.C. §101 and the rejections under 35 U.S.C. §112, based on the claim requirement for two mutually exclusive solid contents. That is, the word "and" at the end of paragraph (B) in claim 1 has been changed to --or--, rendering moot the rejections based on this ground.

The rejection of claims 1 and 13 under 35 U.S.C. §101 because the disclosed invention is inoperative and therefore lacks utility, and the corresponding rejection of these claims under the first paragraph of 35 U.S.C. §112, are respectfully traversed.

In the Response to Arguments section on page 5 of the Office Action, the Examiner acknowledges Applicants' previous argument that the "only possible" comment was directed to the ceramics of the Topchiaschvili et al. reference. Applicants stated that orientation of the Topchiaschvili et al. ceramic particles in a magnetic field is only possible because the Topchiaschvili et al. ceramics have magnetic susceptibilities which render then susceptible to magnetic orientation. The Examiner takes the position that this is further evidence that the present invention does not work as disclosed, and is taken to be an argument that Applicants' ceramics are not susceptible to magnetic orientation. But this does not follow from Applicants' previous arguments. The fact that orientation of the Topchiaschvili et al. ceramic particles in a magnetic field is only possible because these ceramics have magnetic susceptibilities which render them susceptible to magnetic orientation, does not necessarily mean that Applicants ceramics (which are different from the Topchiaschvili et al. ceramics) cannot be oriented in a magnetic field. Applicants have never argued that the only ceramics which can be oriented in a magnetic field are the Topchiaschvili et al. ceramics. Quite to the contrary, the present invention is effective to orient the ceramics in a magnetic field of 1T or more, even though the magnetic susceptibilities of these ceramics have been previously disregarded by the prior art, because of the parameters in paragraphs (A), (B) and (C) in claim 1, showing the relationship between the solid content of the slurry and the average particle size of the ceramic powder or composite mixture. This is supported by the attachments to Applicants' Amendment filed July 28, 2006. The Examiner has not disputed the results in these attachments, which clearly show that orientation of Applicants' ceramics has been achieved. This is the reality. With all due respect, Applicants submit that the Examiner should take in to account the fact that orientation of the ceramics has actually been achieved, rather than arguing that orientation is not possible because of some statement that Applicants have made, when that statement is not inconsistent with the fact that orientation has in fact been achieved, as explained above.

The rejection of claims 1 and 13 under the first paragraph of 35 U.S.C. §112, based on the failure of the claims to include an adjustment step, is respectfully traversed.

As Applicants have previously pointed out, if the slurry satisfies parameter (A), (B) or (C) in claim 1, there would be no adjustment step. In order to fall within the scope of claim 1, the slurry must satisfy one of these parameters. These are characteristics of the slurry itself, and satisfaction of these characteristics means that the claimed method does not require an adjustment step to achieve these characteristics. Of course, in preparing a slurry for the purpose of practicing the invention, if the slurry initially did not satisfy one of parameters (A), (B) or (C), then the solid content of the slurry would need to be adjusted to satisfy one of these parameters. But claim 1 does not assume that the initial slurry does not satisfy one of the parameters. If the slurry does satisfy one of the parameters, either as initially prepared or through adjustment of the solid content, then the slurry would be suitable for practicing the claimed method. There is no need for an "adjustment step". Rather, there is only a need for the slurry to satisfy one of parameters (A), (B) or (C).

Therefore, in view of the foregoing amendment and remarks, it is submitted that each of the grounds of rejection set forth by the Examiner has been overcome, and that the application is in condition for allowance. Such allowance is solicited.

Respectfully submitted,

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